

Quality Improvement Process Review

“Local Public Agency Right of Way Operations”

Conducted by:

Federal Highway Administration

Washington State Department of Transportation

Field reviews conducted: Feb. & Mar., 2002

Final report submitted: June 2002

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Purpose of review: Evaluate the effectiveness of local public agency (LPA) right-of-way program implementation of the requirements of the Uniform Relocation Act (URA) in Washington; identify areas for enhancing LPA right-of-way program operations; share all identified “best practices” with WSDOT, LPAs, and other Division Offices.

Scope of review: Projects in three counties (Pierce, Spokane, Yakima) and two cities (Everett, Spokane) were reviewed. Through staff interviews and file reviews, the review team evaluated the compliance of these projects with the URA in all functional areas, including appraisal, appraisal review, negotiations, condemnation, and relocation assistance. Prior to commencing these reviews, the review team ensured the agencies were notified in advance of our visit, providing them notice of the purpose and scope of the review.

Review team: The core team consisted of Dave Leighow, FHWA; Galen Wright, WSDOT; and Tim Haugh, FHWA (Alaska Division). Additional team members included the appropriate Region Real Estate Local Programs Coordinator (Hal Wolfe, Olympic Region; Doug Winge, Northwest Region; Dick Birr, Eastern Region; Bill Hicks, South Central Region); the Region Highways & Local Programs Coordinator (Mike Horton, Olympic Region; Jerry Kuntz, Eastern Region; Roger Arms, South Central Region); and Relocation specialists Diana Ayers, City of Everett review, and Susan Clemens, Yakima County review. The WSDOT South Central Region Real Estate Manager, Larry Hook, joined us for the Yakima County review.

Entrance meeting: The team initiated each review by meeting with the local agency real estate staff to discuss the purpose and scope of the review, answer any questions the staff had, and arrange both for individual staff interviews and file reviews.

Field reviews: The goal of the team was to interview key members of the local agency real estate staff (e.g., the manager, the negotiators, the relocation agents, etc.) and to thoroughly review selected files and documents for each project under review. The team reviewed the title documents, appraisals, determinations of value, agent diaries, payment claims, the right-of-way certification(s), and related correspondence.

Exit meeting: Upon completion of the interviews and file reviews, the team conducted an exit meeting with the local agency real estate staff. The team reviewed preliminary findings and informed the staff of any items of concern which were noted along with opportunities for improvements and identified best practices. The team committed to provide a formal written follow-up to the local agency staff detailing its findings and recommendations.

Reports: This report sets out the findings of the review and provides an action plan for addressing issues and concerns noted in the reviews.

Action plan: The review team will be responsible for overseeing implementation of the action plan. The review team will coordinate directly with the appropriate units of WSDOT and the local agencies involved to ensure the action items

are accomplished. The review team will coordinate any technical assistance that may be needed to complete the action items.

Contents of attached:

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Attachment 1: Executive Summary

The purpose of this review was to evaluate the effectiveness of local public agency right-of-way program implementation of the requirements of the Uniform Relocation Act in Washington and to identify and share “best practices”. The scope of the review consisted of five LPAs—Pierce County, City of Everett, City of Spokane, Spokane County, and Yakima County. The joint FHWA/WSDOT review team interviewed local agency staffs and performed a sample review of selected projects and parcels. Entrance and exit interviews were conducted at all review sites.

In general, the findings of this review were positive and indicate a good working relationship exists between the LPAs and the WSDOT. While some areas for improvement were noted, the agencies reviewed are effectively implementing the Uniform Relocation Act. Communications are very good, but we found that sometimes information on training opportunities and procedural changes are not filtering down to the LPA right-of-way staffs in a timely manner. Project files were generally well organized and adequately documented, although a few minor deficiencies were noted. A major finding of the review was that training is a high priority with the LPAs, and both WSDOT and FHWA can do more to deliver timely training to them. Communication of “best practices” and examples of “real world” problems and solutions (e.g., case studies) are of interest to the LPAs.

As a result of the findings of this review, the Team developed an action plan which proposes five recommendations:

1. WSDOT and FHWA will work together to develop both a curriculum and a schedule of courses that will be available to local agencies on a continuing basis.
2. The Local Agency Guidelines (LAG Manual) will be reviewed and revisions made to better enable local agencies to comply with URA requirements while recognizing their unique needs and structures.
3. The T2 center at WSDOT will be utilized to assist in distributing current information to local agencies about training opportunities and other essential information. Also, WSDOT HQ will ensure that Region local coordinators are notified on a timely basis of training, workshops, and revisions of forms and procedures, and they will make timely distribution of this information to LPAs within their Regions.
4. The sharing of “best practices” on a continuing basis would greatly benefit all local agencies involved with Federally funded right-of-way projects. To further that effort, these joint reviews will be made a routine function of the FHWA-WSDOT Stewardship Agreement and the resulting reports from the reviews will be distributed to all local agencies. As with this review, a major focus of future reviews will be on “best practices”.
5. The WA Division Office will add a “case studies” feature to its website and use this as one means of communicating to locals how different procedures and practices are applied to “real world” situations.

Attachment 2: Pierce County Review Results

The team visited the Pierce County Public Works Right-of-Way Section on February 25 & 26, 2002. We met with the Engineering Division Manager, Jerry Bryant, and the Right-of-Way Section consisting of the Right-of-Way Supervisor, Don Hagen, and his staff: Jim Prossick, Wayne McBrady, Jennifer Andres, Kerri Wittman, and Jennifer Walker. During the opening interview, we learned the following:

1. This is a relatively young R/W staff, so training is their number one priority. Their two major training needs are in appraisal (especially appraisal review) and relocation assistance. They are certified to do relocation assistance and this is one area where they are looking for training. In response to this need, Brad Thomas (WSDOT Relocation Manager) and his staff put on a relocation training course the first week of April for Pierce County staff and others.
2. Their current leadership is much more R/W oriented and a very strong working relationship exists between the Engineering Division Manager, Jerry Bryant, and the R/W staff. One of the positive effects of this relationship is that management recognizes and supports training and continuing education; for example, Pierce County was one of the few local agencies from outside the Arizona/California area that attended the Uniform Relocation Act Symposium in Mesa, AZ in November 2001. The symposium was an excellent workshop for R/W personnel and Pierce County took advantage of that opportunity.
3. Another strong point of Pierce County's R/W program is the good relationship they have with WSDOT's Region Real Estate Services Local Programs coordinator, Hal Wolfe. They talk frequently with Hal and as a result of their interaction, they are able to anticipate and avoid problem situations.
4. As noted previously, Pierce County has a relatively young staff due to the recent hiring of several new agents. This is indicative of Pierce County's commitment to maintaining a strong R/W program—unlike some agencies who lose R/W staff and don't replace them.

We reviewed two Federal-aid projects in Pierce County: Spanaway Loop, FAP # P-STPUL-TA96(4); and the Foothill Trails, Orting to South Prairie, FAP # STPE-2027(019). The latter project had originally been done by the County's Parks Department, which was unfamiliar with the Uniform Act requirements for Federal projects. After WSDOT reviewed and found problems with this project, the County assigned Wayne McBrady to shepherd the project and he did a diligent job of bringing this project into compliance with the Uniform Act requirements.

The findings of our file review of these projects include the following:

1. In general, the files are well maintained and well organized.
2. The diaries, which are critical to documenting the agent's contacts and providing the chronology of activities on a parcel, were generally well prepared. One significant piece of information generally missing from the diaries was the date when the offer letter was sent.

3. There seemed to be a tendency to use the administrative settlement guidance from the LAG Manual as a “form” for documenting administrative settlements. The problem with this is that it “generalizes” the justification for the settlement when, in fact, each administrative settlement is unique and should be considered on its own merits.
4. The work done by the Right-of-Way staff, and in particular Mr. McBrady, on the Foothills Trail project evidenced strong responsiveness to WSDOT and a very cooperative approach to resolving the problems which WSDOT found in their initial review of this project.

After completing our file reviews, we conducted a close-out session with the Engineering Division Manager, Jerry Bryant, the Right-of-Way Supervisor, Don Hagen, and some members of his staff. We presented the findings of our review, emphasizing our overall satisfaction with Pierce County’s right-of-way program and the professionalism of their staff. We discussed the following recommendations and possible follow-up actions:

1. Relocation Assistance was one of the specific areas where the agency is looking for training. In response, WSDOT conducted a day-long Relocation training seminar for Pierce County’s agents and several other LPAs (Thurston, Mason and Kitsap counties and the cities of Tacoma and Everett) on April 3, 2002.
2. Appraisal and Appraisal Review are high priority training areas for Pierce County. WSDOT is planning to conduct an appraisal workshop in 2002 and local agencies, including Pierce County, are targeted for participation.
3. There is a five-year experience requirement for reviewers in WSDOT’s procedures, but it is often the case that local agencies don’t have the luxury of having full-time reviewers on staff; it is more common for reviewers to have additional responsibilities, which means they are not doing reviews 100% of the time. WSDOT is taking a look at its procedures for qualifying appraisal reviewers and they will be working with Pierce County, as well as other LPAs, to ensure they have the capability of complying with the requirements.
4. We recommended Pierce County include the date the offer letter was sent in their diary entries.
5. We recommended Pierce County not rely solely on the “form” for documenting administrative settlements, but to consider each settlement on its own merits and document the files accordingly.

Attachment 3: City of Everett Review Results

The team visited the City of Everett Right-of-Way Staff on February 27, 28, and March 1, 2002. We met with Craig Fullerton and Laurae Briggs, who comprise the City of Everett's R/W staff (they recently hired another person, who was unavailable during our visit). Brian Jones, the Engineering Services Manager, also joined us for the opening session. We discussed the following issues during the opening interview:

1. The City of Everett's staff, though small, is approved (i.e., certified by WSDOT) for all functions. However, they do use some consultants and fee out both appraisals and some appraisal review work. Craig and Laurae are experienced in all phases of R/W.
2. One of the strong points of their program is that the R/W section gets involved very early in project development, which helps them to anticipate and deal with many situations before they become problems. They have good management support of their R/W program.
3. Training opportunities for their new hire would be welcome. The City did participate in the Relocation training offered by WSDOT on April 3rd.
4. They emphasized the need for routing and communication of information such as procedural changes, training opportunities, etc. WSDOT will work on ensuring the LPA gets the needed information on a timely basis.

We reviewed two Federal-aid projects: The 41st Street Overcrossing, FAP # HP-1998(015); and, E. Marine View Drive, FAP # M-9999(137). The findings of our file review of these projects include the following:

1. The City's files are extremely well organized. In fact, WSDOT's Relocation section is now using a similar format.
2. A narrative justification, rather than a format approach, is used very effectively to document administrative settlements. We did find, in some instances, that more reliance was given on what the property owner thinks in justifying a settlement, rather than what the agency considered justifiable. Absent more detailed justification, it is unlikely these settlements would have been approved or paid by WSDOT or eligible for Federal participation.
3. The appraisal reviewer's analysis was typically very well written and provided the necessary link between the appraisal and the reviewer's determination of value.
4. We found several agent disclaimer statements which were not dated.
5. The diaries were generally well detailed, but it wasn't always clear who the agent was throughout.
6. We had some difficulty with our review of the relocation file for Mid-City Towing due to the incompleteness of the documentation in the file. For example, the file was missing the inventories; also, some of the claimed expenses were not documented.
7. We found a couple of instances of a property owner paying half of the closing costs in a settlement. Since the regulations allow Federal participation in eligible

closing costs, we are not clear why the property owner was picking up part of the costs.

8. The City had not yet seen the WSDOT's new "90-day assurance letter" and was using an older version of the 90-day letter. WSDOT will ensure the new letter is available to the City.
9. One of the subsidiary benefits of doing a review of this sort is that it allows us to identify areas where we can make procedural improvements. We noted that we can do a better job in the relocation area by developing the following which can be used by the LPAs as well as WSDOT: a DSS disclaimer; a form to document substitute personal property (tangible loss); and, a relocation checklist.

After completing our file reviews, we conducted a close-out session with Craig and Laurae. We presented the findings of our review, emphasizing our overall satisfaction with the City's right-of-way program and the experience and professionalism of their staff. We discussed the following recommendations and possible follow-up actions:

1. WSDOT will ensure the LPAs are notified of classes, workshops, updates of procedures and forms. In fact, WSDOT responded quickly in the Relocation area by presenting the April 3rd workshop.
2. We recognized the good documentation that the City is doing on their administrative settlements, but emphasized that the justification needs to evidence the agency's determination—not simply relying on "what the property owner thinks." One of the recommendations of this review is that periodic training be provided by WSDOT and FHWA, and one of the areas where this training will be targeted is on administrative settlements.
3. We emphasized the good work they are doing with their diaries, but requested that the diaries be appropriately signed (also suggested initialing or signing after each entry).
4. We discussed the finding regarding property owner's paying half of the closing costs and are satisfied this matter was sufficiently clarified and resolved.

Attachment 4: Spokane County Review Results

The team visited Spokane County on March 25 & 26, 2002. We met with Sherman Johnson, the County's R/W Manager, and members of his staff including Ray Moon, Blas Ortiz Jr., Allen Skimming, Jeff McIntyre, Terri Hansen, Jerry Williams, Fred Foss, and Barry Lines. There were a variety of issues discussed during the opening interview:

1. The County gets good guidance and quick responsiveness from WSDOT.
2. Training is always welcome; WSDOT acknowledged that we need to do more workshops on the east side of the mountains.
3. Someone suggested that the circulation of case studies would be a good way of keeping everyone up to date on things that are going on and how different situations are handled. Case studies would be a good training tool. Case studies could be made available via a website.
4. The County uses the appraisal waiver a lot; it is a good streamlining tool.
5. There is a need to educate engineers, attorneys, and upper management on R/W. It was noted that Leighow put on a R/W workshop for Spokane County engineers last year and that received good response.
6. There is a need to continue to emphasize the early involvement of R/W in project development. Also, would like more R/W involvement in the design process.
7. There was a general feeling that having individualized functions (i.e., being an appraiser or a R/W agent) is a plus; but, cross-training is also valuable. It was mentioned that acquisition is a good background for an appraiser.
8. Spokane County makes good use of current electronic technology in their R/W operations. They have access to the MLS (Multiple Listing Service) and have a very good in-house system called CRIS+ for accessing the County auditor's index of recorded documents.
9. Someone suggested that "after action" reports would be very helpful; this would be a good learning tool for handling future projects.
10. The County is running into situations in condemnation where the property owner's testimony is based on a broker's price opinion rather than an appraisal. As noted in State law, however, the broker's price opinion is NOT allowable in a "federally-related" transaction. Thus, they feel the local courts are not following the law when they allow that kind of testimony in a condemnation case on a Federal project.

We reviewed the following Federal-aid project: 16th Avenue, from SR-27 to Sullivan Road, FAP # STPF-4030(001). The findings of our file review of this project include the following:

1. During our review of this project, we discovered that R/W acquisition was started and pretty much completed before the NEPA document was approved. Consequently, the project is not eligible for Federal-aid reimbursement. The acquisition of the parcels, however, can be used toward a project match because the project was done in accordance with the Uniform Act. We discussed this matter with the County Engineer, Gary Nelson, and he was aware when they

- began acquisition that they were in advance of NEPA clearance and might not be able to be reimbursed the R/W costs. The reason why they chose to do so is because of the relatively short time frame that the MPO gives them for using Federal funds. We were told that the locals normally have 18 months to spend their Federal funds and that in order to meet the MPO's requirements, they have to start as early as possible with some of the project activities. Since TEA-21 allows States (and, by extension, local agencies) to use their own funds to acquire R/W and later use that R/W toward their match, they have some latitude to make these kinds of decisions. In this case, it was a conscious decision on the part of the Project Engineer, although the R/W staff was apparently not aware they would not get Federal reimbursement for the R/W costs.
2. The files and agents' diaries were very good, although we did determine that some of the newer agents need a little help in preparing their diaries. On the whole, however, the County does a very good job with their documentation. We did recommend the date the offer letter is sent be added to the diaries.
 3. We were very impressed with the review appraiser's statement. The reviewer did an extremely good job explaining his analysis of the appraisal and supporting his determination of value. We commend the County for doing such a good job in this area.
 4. We noted that the Federal-aid project number was not always provided on some of the documentation and recommended it be added.

After completing our file reviews, we conducted a close-out session with Sherman Johnson and his staff; we also included the County Engineer, Gary Nelson, in our discussion about the project funding. We presented the findings of our review, emphasizing our overall satisfaction with the County's right-of-way program and the experience and professionalism of their staff. We discussed the following recommendations and possible follow-up actions:

1. Federal funds cannot participate in the R/W for the 16th Avenue project, and this was understood by the County. However, it would be eligible for a match and it is likely the County will use the R/W acquisition cost towards their project match.
2. We (FHWA and WSDOT) will discuss the funding issue with the Spokane MPO. One way this may be accomplished is by inviting the MPO staff to attend a "R/W For Engineers (and Others)" training workshop in Spokane.
3. We (FHWA and WSDOT) will work on scheduling R/W training for Spokane and the "east side". We will be available for "just in time" mini-sessions—e.g., 2-4 hour workshops on specific issues.
4. We plan to use examples of the County's appraisal review statements as models in appraisal review training.
5. We recommend the County add the date the offer letter is sent to the agent diary.

Attachment 5: City of Spokane Review Results

The team visited the City of Spokane on March 27, 2002. We met with the Real Estate staff—Don Nesbitt, Terry Cook, Dave Perry; Deputy Director Dave Mandyke; and engineers John Miller and Dave Nakagawara. There were a variety of issues discussed during the opening interview:

1. We discussed the Salty's parcel, which the city acquired for the Lincoln Street Bridge project. This project did not go to construction and the city plans to lease or sell this parcel. We clarified for them that the Federal share of the sale or lease does not have to be credited back to FHWA as long as the funds are used for other Title 23 eligible projects. They were appreciative of this information and plan to use the proceeds of the sale or lease for projects which would be eligible under Title 23.
2. We discussed training and told them we plan on getting more training to the "east side".
3. We discussed the "18-month funding" issue that came up during our discussion with Spokane County and agree that we need to discuss this with the MPO.
4. We clarified for the City that the "single agent" concept (same agent does acquisition and relocation) is acceptable.
5. We learned that the City uses a system called Arcview to get ownerships, legal descriptions, and related information. They are making good use of electronic technology in their R/W process.

Although we were only with the City for a half-day, we did review the following Federal-aid project: Ray Street, FAP # STPUL-3997(001). The findings of our file review of this project include the following:

1. The relocation diary reviewed was incomplete, and also needed the agent's name.
2. One of the acquisition diaries reviewed needed an explanation of the total take.
3. We discussed the situation of parcel 3534.0201 (Eaglin) where the city did a full take without establishing a basis in the appraisal and appraisal review. This will be addressed in appraisal review training to be provided to local agencies.

After completing our file reviews, we conducted a close-out session with the City's Real Estate staff.. We presented the findings of our review and discussed the following recommendations and actions:

1. We will ensure that training opportunities are provided to the local agencies on the east side. One of the key areas that will be addressed is appraisal review.
2. Federal funds are not eligible to participate in the cost of the full take of the Eaglin parcel, unless supported in the appraisal or in the review as being either an uneconomic remainder, fully damaged remainder, or a cost to cure that equals or exceeds the value of the remainder.

Attachment 6: Yakima County Review Results

The team visited Yakima County on March 28 & 29, 2002. We met with members of the County's staff, including Mike Waits, Connie Hauver, Jack Aquino, Michael Hill, Gary Ekstedt, Mark Brzoska, Bill Maggard, and Darwin Crenshaw. There were a variety of issues discussed during the opening interview:

1. Training is a priority, including training of non-R/W staff—i.e., project engineers.
2. Yakima County is team-oriented and solution-oriented. The Real Estate staff has a good relationship with the engineers, as well as with WSDOT's Highways and Local Programs and Real Estate Services personnel.
3. The County would like to see the R/W checklist that is in the LAG manual separated by section and streamlined.

We reviewed the following Federal-aid projects: Roza Hill Drive, FAP # STPUS-4626(001); Tieton Drive, FAP # STPR-V394(001); and Wenas Road, STPR-Y395(002). The findings of our file review of these projects include the following:

1. The acquisition of a total take, when the appraisal and appraisal review were based on a partial take, was found on the Vantour parcel (Roza Hill Drive project). Federal funds cannot participate in the difference between the appraised value of the partial take and the total funds spent in acquiring this parcel as a total take (including any relocation funds paid that would not have been incurred as a result of the partial take). FHWA will request WSDOT to code this difference as non-participating.
2. In general, we found the review appraiser's statements to be very brief and lacking much detail.
3. The agents' diaries were generally well detailed and complete.

After completing our file reviews, we conducted a close-out session with the County's Real Estate staff.. We presented the findings of our review and discussed the following recommendations and actions:

1. We noted that training opportunities would be a focus of our action plan. One of the key areas where we will be targeting training is in appraisal review.
2. Galen discussed the clearance of encumbrances and handling of mortgage releases.
3. We noted that an earlier version of the relocation assistance 90-day letter was being used, so WSDOT will ensure the County has been provided the most recent version.
4. The County suggested we might include a local agency representative on future reviews. There are some logistic problems to be resolved, such as the availability of a local agency person for traveling to other areas of the State to participate in a review. However, this was a suggestion that we will consider in future reviews.

Attachment 7: Action Plan

Based on the findings of this review, the Team offers several recommendations to further enhance the local agencies' capabilities in managing and implementing their right-of-way programs. We believe these recommendations will be of benefit not only to the five local agencies reviewed, but to other local agencies throughout Washington. Consequently, we propose to make wide distribution of this report and to implement these recommendations in a manner that may benefit all local agencies in the state.

Recommendation 1

All five agencies we reviewed indicated that training is a high priority and they welcome any opportunities that WSDOT and FHWA can provide. We found some areas—appraisal review, in particular—where agencies have a demonstrated need for more current training. The WSDOT and the FHWA Division Realty Officer hold workshops annually to update local agencies on right-of-way issues. The WSDOT invites local agencies to send their newer staff to Ken Leingang's "Charm School" (i.e., basic R/W training). And, WSDOT does periodically invite local agencies to specific training courses. However, more opportunities can be made available.

Consequently, it is the recommendation of the Team that WSDOT and FHWA work together to develop both a curriculum and a schedule of courses that will be available to local agencies on a continuing basis. There is an immediate need for the following courses: Appraisal Review; File Documentation; Administrative Settlements; and, Basic Uniform Act Requirements. Additional courses will be needed in all areas of R/W, including appraisal, negotiations, relocation assistance, and property management.

In order to implement this recommendation on a timely basis, the Team proposes that the FHWA Division Realty Officer meet with WSDOT Office of Real Estate Services' Training Coordinator to develop the curriculum and to begin scheduling these training opportunities. Other training resources, including NHI and the International Right of Way Association, will be utilized as appropriate; however, some of the courses they offer may be cost prohibitive to small local agencies. To accommodate those agencies' needs, trainers from WSDOT Office of Real Estate Services and from the FHWA Division Office can be utilized.

The Team also recognizes and commends Brad Thomas, WSDOT Relocation Manager, for his timeliness in addressing Pierce County's desire for Relocation Assistance training. The need was identified during our review of Pierce County the last week of February; five weeks later, in early April, Brad and his staff conducted this training for Pierce County and others.

Recommendation 2

The Team noted during our review that there are some areas of the right-of-way section of the LAG Manual (Local Agency Guidelines) which are not clear or are not working

effectively for the local agencies. We found, for example, that the administrative settlement guidance as currently written in section 25.09(c) of the LAG Manual is used by some agencies as a “form” rather than a guide; the result is that while the format itself is followed, it may lack any substantive support for the settlement. We also found that the five-year experience criteria for review appraisers (“...to qualify as a review appraiser, an individual must have a minimum of five years of full time narrative real estate appraisal report writing experience...”, LAG 25.052) is difficult for many local agencies to meet because of the “full time” experience criterion; very often, the local agency’s workload and budget necessitate that a person doing appraisal review also do some negotiations or other R/W services.

Consequently, the Team recommends that the LAG Manual be reviewed and revisions made which will better enable local agencies to comply with Uniform Act requirements while recognizing their unique needs and structures. To accomplish this, we propose that the FHWA Division Right of Way Officer work together with the WSDOT Real Estate Services Local Program Coordinator to address these issues. They, in turn, will coordinate with the various program area managers (Appraisal, Acquisition, etc.), the Regions, and Highways and Local Programs to accomplish this in a timely manner.

Recommendation 3

The Team found that the local agencies generally have a very good relationship with the Region Real Estate Services local coordinator. However, both the agencies and the Region coordinators are concerned that they don’t always get current information about the availability of training and workshops or about new procedures and forms. For example, in the City of Everett review we found that the City had not yet been informed of WSDOT’s new “90-day assurance letter” which the Relocation section recently revised.

The Team recommends that the T2 center at WSDOT be utilized to assist in distributing current information to local agencies about training opportunities and other essential information. Also, we recommend that the Office of Real Estate Services ensure that the Region local coordinators are notified on a timely basis of training, conferences, workshops, and revisions of forms and procedures, and that the Region local coordinators make timely distribution of this information to the local agencies within their Regions. This effort can be coordinated with the T2 center to reduce duplication, although this is a situation where “too much” information is better than “not enough”.

Recommendation 4

It was clear from our review that there are a variety of practices which different agencies utilize that are effective and could be useful to others. For example: The City of Everett does an extremely good job of organizing their parcel files; Spokane County makes effective use of an electronic data systems (CRIS) for accessing the County auditor’s index of recorded documents; Yakima County has developed a strong relationship between their Real Estate staff and the County’s engineers; the City of Spokane uses a

system called Arcview to get ownerships, legal descriptions, and related property information; and, Spokane County does an excellent job with their appraisal review statements. The Team believes that the sharing of these and other best practices on a continuing basis would greatly benefit all local agencies involved with Federally funded right-of-way projects. One means of accomplishing this would be the continuing of annual reviews of local agencies and the wide distribution of findings and best practices with all local agencies.

The Team proposes that these joint reviews be made a routine function of the FHWA-WSDOT Stewardship Agreement and that the resulting reports from the reviews be distributed to all local agencies. As with this review, a major focus of future reviews will be on “best practices”.

Recommendation 5

As is evident from the Team’s findings and recommendations, timely distribution of information about training, procedures, and related issues is critical to the ability of the local agencies to comply with Federal and State requirements. As noted in Recommendations 3 and 4 above, good communications between the local agencies, WSDOT, and FHWA contribute immeasurably to our mutual success. An important tool that can be used to foster good communications is the Internet. During some of the informal discussions with local agencies and among Team members, the subject of a “case studies” site on the Internet was mentioned. The idea would be to have a site that someone could go to and read about how actual situations were handled and what worked and what didn’t work.

The Team proposes that the WA Division Office consider adding a “case studies” feature to its website and use this as one means of communicating to locals how different procedures and practices are applied to “real world” situations. Of course, to make this site successful, input from WSDOT and local agencies would be necessary. To supplement that input, the Division can also use input from other Division Offices via the “Realty” group.

Attachment 8: Examples of “Best Practice” Appraisal Review Statements

Attached are two examples of appraisal review statements which we came across during our review and consider to be examples of “best practice” in the appraisal review process. Even though the appraisals themselves were fairly straightforward and non-complex, this reviewer complied with both Federal and USPAP (Uniform Standards of Professional Appraisal Practice) policies and guidance in developing and reporting “...a credible opinion as to the quality of another appraiser’s work...”. This reviewer’s work follows Standard 3 of USPAP, which states that the reviewer’s opinion about the quality of the product under review “...must encompass the completeness, adequacy, relevance, appropriateness, and reasonableness of the work under review, developed in the context of the requirements applicable to that work..”

The review team gratefully acknowledges Barry Lines of Spokane County, who made these examples available to us.

Example # 1

RE: [REDACTED]

Owner: [REDACTED]

Address: [REDACTED]

Date of Value: June 8, 2001

Date of Review: July 5, 2001

Property Interest Reviewed: Fee Simple

In the process of reviewing the appraisal, the subject and all the comparable sales have been inspected. All approaches to value have been considered, but the Sales Comparison Approach was deemed the most viable and reliable to arrive at the concluded value. The Cost Approach was based upon the Principles of Substitution and of Contribution and does support the concluded value but, given the age of the subject improvements was given limited weight in the comparison. The Income Approach was excluded from the appraiser's report and the review appraisal report.

The following is the appraiser's recapitulation: THE BEFORE AND AFTER FAIR MARKET VALUE DIFFERENCE IS \$10,000.00

The subject property was described as a single family dwelling. The site is rectangular in shape. This site fronts [REDACTED] Avenue with 110 feet by 128 feet deep in the before. Spokane County Engineer's Office has calculated the site to be 14,106 square feet.

The appraiser appears to have correctly identified the property, the rights being appraised, and has estimated the highest and best use to be it's present use, "as if vacant for a single family building site." The appraiser has introduced six sales of vacant land in order to estimate the value of the site, as well as six improved sales in the before and then added two additional improved sales in the after.

I have inspected the subject, the sales, and the data from the appraisal report appears to adequately explain the steps taken in arriving at the value estimate. I feel that the estimated value difference of \$10,000.00 is based upon sound reasoning, with the estimated value based upon documented and supported data. I concur with the appraiser's estimated value for the subject property.

Barry B. Lines

The following appraisals have been made on the subject property:

APPRAISER	VALUATION DATE	BEFORE VALUE	AFTER VALUE	VALUE DIFFERENCE	APPRAISER'S TAKING \$	ALLOCATIONS DAMAGES \$
[REDACTED]	6/8/01	\$ 96,000	\$ 86,000	\$ 10,000	5,000	5,000
1.						
2.						

The following prior certificates of value have been made on the subject property:

REVIEW APPRAISER	DATE - PRIOR DV	BEFORE VALUE	AFTER VALUE	JUST COMPENSATION	REVIEWER'S TAKING \$	ALLOCATION S DAMAGES \$
1. Barry Lines	7/3/01	\$ 96,000	\$ 86,000	\$ 10,000	5,000	5,000
2.						

Comments:

The appraiser completed a narrative appraisal report as contracted. The data used is adequate and relevant and any adjustments made to the date are proper. The appraisal methods and techniques used are appropriate. The analysis, opinions and value conclusions in the report under review are appropriate and reasonable.

I, the review appraiser, have both the experience and the knowledge to perform this appraisal review competently. Attached are my Appraisal Review Assumptions and Limiting Conditions and my Appraisal Review Salient Information which are made a part of this appraisal review report.

I inspected the subject property and the sales data used in the appraisal report on July 3, 2001.

My value conclusions and appraisal review findings are as follows:

REVIEWER'S DETERMINATION OF VALUE (This Review)		Reviewer's Allocation of Just Compensation	
VALUE BEFORE ACQUISITION: \$96,000		ACQUISITION:	
VALUE AFTER ACQUISITION: \$86,000		Land	\$2,400.00
VALUE DIFFERENCE: \$10,000		Site Improvements	\$1,400.00
		Improvements	\$
		Damages	\$3,000.00
		Easements	\$1,200.00
		Sight restriction	\$2,000.00
		Total	\$10,000.00
JUST COMPENSATION IS:		\$10,000.00	AS OF July 3, 2001

CERTIFICATE OF REVIEW APPRAISER

I, the review appraiser, certify that, to the best of my knowledge and belief:

1. The facts and data reported by the review appraiser and used in the review process are true and correct.
2. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review report.
5. My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the appropriate State laws, regulations, procedures and policies applicable to appraisal of right of way for such purposes.
6. I did personally inspect the subject property of the report under review.
7. No one provided significant professional assistance to the person signing this review report.

I further certify if this determination is to be used in conjunction with a Federal aid highway project or other Federally funded project, none of the approved just compensation is ineligible for Federal reimbursement.

Example # 2

RE: Review Appraisal of Parcel No. [REDACTED]

Owner: [REDACTED]

Address: [REDACTED]

Date of Value: April 26, 2001

Date of Review: May 14, 2001

Property Interest Reviewed: Fee Simple

In the process of reviewing the appraisal, the subject and all the comparable sales have been inspected. All approaches to value have been considered, but the Sales Comparison Approach was deemed the most viable and reliable to arrive at the concluded value. Therefore the Cost and Income Approaches were excluded from the appraiser's report and the review appraisal report.

The following is the appraiser's recapitulation: FAIR MARKET VALUE IS \$14,900.00

The subject property was described as irregular in shape. This site has approximately 184 feet fronting [REDACTED] with a depth of approximately 304 feet. Spokane County Engineer's Office has calculated the site to be 51,199 square feet.

The appraiser appears to have correctly identified the property, the rights being appraised, and has estimated the highest and best use to be as if vacant for a multi-family building site of approximately eight units. The appraiser has introduced six sales of vacant land and 2 current listings of similar properties in order to estimate the value of the site.

I have inspected the subject, the sales, and the data from the appraisal report appears to adequately explain the steps taken in arriving at the value estimate. The appraiser indicated that historically easements that impact properties like the subject's carry a value of 75% of the market value. Though data was not provided to support this claim, it is reasonable to assume, given today's market and the zoning of the subject property, that the estimate of value of \$14,900.00 is based upon a good understanding of the market and sound reasoning. The steps taken by the appraiser on this difficult assignment to arrive at the fair market value is seen in his work. I concur with the appraiser's estimated value for the subject property.

Barry B. Lines

The following appraisals have been made on the subject property:

APPRAISER	VALUATION DATE	BEFORE VALUE	AFTER VALUE	VALUE DIFFERENCE	APPRAISER'S TAKING \$	ALLOCATIONS EASEMENT \$
[REDACTED]	4/26/01	\$ 78,000	\$ 63,100	\$ 14,900		14,900
1.						
2.						

The following prior certificates of value have been made on the subject property:

REVIEW APPRAISER	DATE - PRIOR DV	BEFORE VALUE \$	AFTER VALUE \$	JUST COMPENSATION \$	REVIEWER'S TAKING \$	ALLOCATION EASEMENT
1. Barry B. Lines	5/14/01	78,000	63,100	14,900		14,900
2.						

Comments:

The appraiser completed a narrative appraisal report as contracted. The data used is adequate and relevant and any adjustments made to the date are proper. The appraisal methods and techniques used are appropriate. The analysis, opinions and value conclusions in the report under review are appropriate and reasonable.

I, the review appraiser, have both the experience and the knowledge to perform this appraisal review competently. Attached are my Appraisal Review Assumptions and Limiting Conditions and my Appraisal Review Salient Information which are made a part of this appraisal review report.

I inspected the subject property and the sales data used in the appraisal report on May 14, 2001.

My value conclusions and appraisal review findings are as follows:

REVIEWER'S DETERMINATION OF VALUE (This Review)		Reviewer's Allocation of Just Compensation	
		ACQUISITION:	
VALUE BEFORE ACQUISITION: \$	78,000	Land	\$
VALUE AFTER ACQUISITION: \$	63,100	Site Improvements	\$
VALUE DIFFERENCE: \$	14,900	Improvements	\$
		Damages	\$
		Easements	\$14,900
		Slopes	\$
		Total	\$14,900
JUST COMPENSATION IS:		AS OF May 14, 2001	
	\$14,900		

CERTIFICATE OF REVIEW APPRAISER

I, the review appraiser, certify that, to the best of my knowledge and belief:

8. The facts and data reported by the review appraiser and used in the review process are true and correct.
9. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinions and conclusions.
10. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
11. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review report.
12. My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the appropriate State laws, regulations, procedures and policies applicable to appraisal of right of way for such purposes.
13. I did personally inspect the subject property of the report under review.
14. No one provided significant professional assistance to the person signing this review report.

I further certify if this determination is to be used in conjunction with a Federal aid highway project or other Federally funded project, none of the approved just compensation is ineligible for Federal reimbursement.